

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

HB 1226 - SB 1637

April 13, 2009

SUMMARY OF BILL: Requires all DUI offenders to obtain ignition interlock licenses and have an ignition interlock device (IID) installed and operating on their respective motor vehicle for a period of time dependent upon the number of DUI convictions for any such offender. Requires offender to pay all costs associated with having an ignition interlock device installed on their motor vehicle, unless determined by the sentencing court that such offender is indigent.

ESTIMATED FISCAL IMPACT:

On March 16, 2009, a fiscal note for this bill was issued indicating the following estimated impact:

*Increase State Revenue –
\$280,200/FY09-10
\$560,400/FY10-11 and Subsequent Years*

*Increase State Expenditures –
\$7,000/One-Time
\$1,000,800/FY09-10/Alcohol and Drug Treatment Fund
\$2,001,600/FY10-11 and Subsequent Years/Alcohol and
Drug Treatment Fund*

*Increase Local Revenue –
\$100,100/FY09-10
\$200,200/FY10-11 and Subsequent Years*

Based on new information, the fiscal impact for this bill is estimated as follows:

(CORRECTED)
**Increase State Revenue –
\$784,700/FY09-10
\$1,569,300/FY10-11 and Subsequent Years**

HB 1226 - SB 1637 (CORRECTED)

Increase State Expenditures –

\$7,000/One-Time

\$2,802,300/FY09-10/Alcohol and Drug Treatment Fund

**\$5,604,500/FY10-11 and Subsequent Years/Alcohol and
Drug Treatment Fund**

Increase Local Revenue –

\$280,200/FY09-10

\$560,400/FY10-11 and Subsequent Years

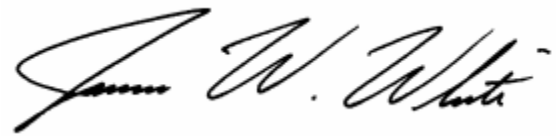
Assumptions:

- There were approximately 27,800 DUI convictions in FY07-08.
- The number of DUI convictions remains constant in subsequent years.
- Twenty percent of DUI offenders (5,560) will be found by the courts to be indigent; all other DUI offenders (22,240) will be required to pay the costs for having an IID installed on their motor vehicle.
- Pursuant to Tenn. Code Ann. § 40-33-211(c)(3), costs of installing an IID may be paid for with monies from the Alcohol and Drug Addiction Treatment (ADAT) Fund whenever the court determines a DUI offender to be indigent.
- According to the Department of Mental Health and Developmental Disabilities, no monies from the ADAT Fund have ever been used to pay for the installation, maintenance, monitoring, or removal of IIDs.
- The minimum cost of having a motor vehicle equipped with an IID is estimated to be \$1,008 per year (or \$84 per month). This could be either a one-time cost if the device is purchased or an annual cost if the device is leased.
- The increase to state expenditures from the ADAT Fund is estimated to be \$5,604,500 per year ($5,560 \times \$1,008 = \$5,604,480$).
- State and local sales tax collections should increase due to sales and leasing of IID equipment.
- The increase of taxable sales is estimated to be \$22,417,900 per year ($22,240 \times \$1,008 = \$22,417,920$).
- The current state sales tax rate is seven percent.
- The increase to state sales tax revenue is estimated to be \$1,569,300 per year ($\$22,417,900 \times 7.0\% = \$1,569,253$).
- The average local option sales tax rate is estimated to be 2.5 percent.
- The increase to local government revenue attributable to sales tax is estimated to be \$560,400 per year ($\$22,417,900 \times 2.5\% = \$560,447$).
- Any decrease in revenue from not collecting reinstatement fees and restricted driver license fees from persons choosing not to pay for an ignition interlock devices is estimated to be not significant.

- A one-time increase to state expenditures of \$7,000 for computer and programming modifications.
- First-year impact is estimated at 50 percent of first full-year impact due to January 1, 2009 effective date.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc